

Council for Labor & Economic Growth
Quarterly Meeting
Lansing Community College West Campus, MTEC- Conference Center
Monday, June 9, 2008
9:30 a.m. – 12:30 p.m.

MEMBERS PRESENT:

David Adams	Michael Flanagan	Sharon Parks
Derick Adams	Norma Hagenow	Sharon Peters
Lizabeth Ardisana	Doyle Hayes	Hubert Price, Jr.
Paul Arsenaault	Thomas Hickner	Trenda Rusher
Stephen Balbierz	Representative Bill Huizenga	Jaye Shamsiddeen
Paul Bergan	Robert Jacquart	Kester So
Lloyd Bingham, Ph.D.	Eleanor Josaitis	Marjorie Sorge
Patrick Cannon	Janet Joseph	Mitch Tomlinson
Matthew Chambers	Jumana Judeh	John Van Wyck
Keith Cooley	Thomas Kimble	Cindy Warner
Bradley Dyer	Jack Litzenberg	George Yost
Fern Espino	Frank Lopez	J. Michael Zelle
Michael Evangelista	Timothy Nelson	

MEMBERS ABSENT:

Wilma Abney	James Epolito	Janet Olszewski
Ismael Ahmed	Senator Judson Gilbert II	William Peterson
Senator Glenn Anderson	Patrick “Shorty” Gleason	Daniel Phelan
Kenneth Baker	Dennis Hands	Gene Pierce
Ted Blashak	John Hernandez	Sharon Rivera
Harry Bonner, Sr.	John James	Michael Schmidt
Representative Ed Clemente	Karen Kosniewski	Mary Thornton
Jennifer Cornell	Alan Low	John Voorhorst
David Eisler	Shelly Norman-Hill	Lynn Zuellig

I. WELCOME/OPENING REMARKS

Ms. Marge Sorge, Chair, called the meeting to order at 9:30 a.m., welcomed Council members, and provided a few opening remarks. Ms. Sorge welcomed newly appointed CLEG member Michael Evangelista, and explained the Legislative reception was postponed until fall. Recommendations from the Work Readiness Credential Committee and Entrepreneurship Committee comprised the meeting agenda.

II. ACTION ITEMS

The action items on the consent agenda include approval of the following:

- March 10, 2008 quarterly meeting minutes
- Accelerating Re-employment Committee Comments on the Senior Community Service Employment Program (SCSEP) State Plan

A MOTION was made by CLEG member Sharon Peters, and SUPPORTED by CLEG member Fern Espino to approve the consent agenda action items.

RECOMMENDATION FROM WORK READINESS CREDENTIAL COMMITTEE

Mr. Matt Chambers, Co-Chair of the Work Readiness Credential (WRC) Committee, acknowledged the Committee co-chair, Mike Schmidt, who was unable to attend the meeting, and thanked the WRC Committee and Implementation Workgroup for all of their hard work during the past year. In addition to highlighting key areas of the Implementation Plan, CLEG members would hear from several panel members who will talk about how the Michigan National Career Readiness Certificate (MI NCRC) relates to what is going on with the MI Department of Education (MDE), and the relevance of the MI NCRC to employers and economic development.

Mr. Chambers stated the committee recommends that the State of Michigan adopt the national career readiness certificate, the MI NCRC, and that it be delivered through the Michigan Works! System, in partnership with the K-12 educational system, community colleges, economic development agencies, business associations, and other local partners. Standards for soft skills training will also be developed by the State.

Mr. Chambers talked about positive outcomes that will be achieved from statewide implementation of the MI NCRC, and then turned the presentation over to DLEG Deputy Director Andy Levin.

Mr. Levin thanked Mr. Chambers and Mr. Schmidt for their leadership in this effort, and also the many individuals who have been involved. He talked about how the MI NCRC aligns with DLEG's emphasis on training, the improvement and documentation of an individual's skill level, and the emphasis on the demand side, by involving employers. The MI NCRC also aligns education with workforce development, from high school to employment, providing a common language and the opportunity to improve skills.

He then introduced the panel members, Mike Flanagan, the State Schools Superintendent, John "Mac" MacIlroy, President of the Michigan Manufacturer's Association (MMA), and David Hollister from Prima Civitas Foundation.

Superintendent Flanagan stated the addition of the third WorkKeys test for high school students is now moving through the legislature, and the MI NCRC helps kids by increasing their confidence. He talked about the importance of the new high school requirements, especially the higher standards for math, and encouraged support from CLEG members on the new standards. These standards and the opportunity to earn a MI

NCRC will give all kids the chance to succeed, and show that Michigan has the best trained workforce in the country.

Mr. John “Mac” MacIlroy explained that the mission of the MMA is to reduce barriers for Michigan manufacturers to allow them to compete in the global economy, by creating an environment of certainty, predictability, and balance. The MI NCRC creates an environment for employers of predictability, uniformity, and certainty in the hiring process. He talked about the domestic cost price of policies that don’t work in a global economy, and about the price of not acting to create a skilled world class workforce. The MI NCRC will bring a common language and metric based on real world skills. The MMA offers to support the State’s MI NCRC effort, including its implementation and the information needs that will flow from this.

Mr. David Hollister, President and CEO of Prima Civitas, talked about the importance of talent and a skilled workforce. Several studies conducted by the Prima Civitas Foundation have indicated talent as the number one issue facing key industries within Michigan. Part of economic development is marketing talent, and the MI NCRC is a way to do just that. It can be used as documentation to attract new business. In addition to reinforcing the commitment to more stringent high school standards, it sends a message that Michigan is serious about qualifications and that we are collaborative.

The expected roles of the State and MWAs were explained. The State will be responsible for funding the cost of issuing certificates, (the paper certificates and the database to track them), supporting employer outreach by the MWAs, and driving the statewide marketing. The MWAs will be expected to run the MI NCRC at the ground level, organizing collaboration, setting up testing sites, and developing plans for employer outreach.

A MOTION to approve the MI NCRC Implementation Plan was made by CLEG member Matt Chambers, and SUPPORTED by CLEG member Paul Bergan. The MOTION was then put on the floor for discussion.

CLEG members asked questions and provided initial feedback on the Implementation Plan.

Education and marketing to employers –

- Comments:
 - Expectations of employers should be outlined clearly;
 - Engagement/education of small companies will be important to encourage incorporation of the MI NCRC into hiring practices;
 - This is an opportunity for employers to *step up* and upgrade their employees’ skill levels;
 - Innovation starts at larger companies and with leaders in business associations. Larger companies will lead by example, and business associations can use their networks to educate and inform;

- The outreach strategy should target human resource (HR) personnel and associations, not just owners/CEOs, in order to bring an awareness of the MI NCRC to HR departments.

Budget and cost –

- Questions:
 - Is it feasible to support the MI NCRC from existing funding streams without creating an unfunded mandate?
 - How will the tests be paid for?
 - Has an overall budget been developed?
 - Will the state be seeking additional/grant funding to support this effort?
- Committee members and staff provided the following clarification & comments:
 - *A survey of current spending by the MWAs on assessments was conducted and indicated there is funding already being used for assessments, which could be re-directed to support the cost of the tests, as in many cases the WorkKeys tests will be given in place of those currently in use, eliminating duplication. Although it was noted that other assessments will still be necessary in some circumstances, such as to assess levels of individuals with low literacy skills.*
 - *The cost of implementation and sustainment versus the cost of not having a skilled workforce influenced the Committee’s decision to move forward.*
 - *The cost of the MI NCRC (assessments and certificate) is \$20/person. In comparison to the overall cost of training, the cost of the MI NCRC is a minimal investment for a well-trained workforce.*
 - *An estimated budget was developed, with early conservative targets for certificates issued, slowly ramping up the populations tested over four years.*
 - *The MI NCRC will fall under DLEG’s Bureau of Workforce Transformation, and as the implementation policies are developed, more specific budget figures will be made available.*
 - *A grant specialist position has recently been established within DLEG whose job will be to focus on bringing more federal and foundation funding to support the state’s workforce efforts. All avenues will be explored to support for this initiative.*

Remediation –

- Question:
 - Once there is acceptance of the MI NCRC, how will those in need of remediation be served?
- Comments:
 - The budget must include funding for workforce remediation needs, to avoid the creation of a cultural disconnect. Partners in the workforce system (including community colleges) have expressed concerns and want to ensure that adequate funding is made available for remediation activities.
 - Remediation must be available to all populations that need it.

Messaging and marketing –

- Comments:
 - It is important to be clear about what the MI NCRC offers to high school graduates and adults and what it does not; it is not a substitute for a high school or post secondary degree and it is not a guarantee for getting a job; for some kids it will be an opportunity to grow, and can level the playing field for dislocated workers.

CLEG members were encouraged to provide input to DLEG regarding suggestions for successful marketing and educational outreach to employers and job seekers to inform them of the benefits of the MI NCRC.

Soft skills –

- Question:
 - How will soft skills be incorporated into the MI NCRC?
- Response from staff:
 - *Individuals will not be certified for soft skills. Rather, state soft skills standards will be developed. MWAs will offer training based on those standards to job seekers. The training will supplement the core skills measured by the MI NCRC.*

Ms. Sorge, CLEG Chair, called for a VOTE on the MOTION to approve the MI NCRC Implementation Plan, which was unanimously approved.

III. ENTREPRENEURSHIP COMMITTEE PRELIMINARY REPORT

Mr. Jack Litzenberg, Chair, Creating a State Culture of Entrepreneurship Committee, explained the purpose of the presentation was to review the Committee's preliminary report, "Bold Voices, Bold Choices", which outlines the Committee's recommendation on creating a statewide plan for an entrepreneurial culture in Michigan, and solicit input on the report from the Council members. Mr. Litzenberg acknowledged the Committee members and staff who worked on the report.

Mr. Litzenberg talked about the Committee's methodology in their research, and their vision to make Michigan "the place" to start and grow a business, with a goal of starting a movement around entrepreneurship, not just a set of projects or initiatives.

Mr. Tim Nelson, Vice-Chair of the Creating a State Culture of Entrepreneurship Committee, talked about creating an alternative mindset in Michigan that supports an entrepreneurial culture, starting with state leadership. A major tool to drive an entrepreneurial culture is through education, including through No Worker Left Behind and higher education.

Mr. Paul Arsenault, Entrepreneurship Committee member, stated internally the state has made great strides in the customer service process for businesses. An example is the permitting process, down to 183 days from 465 to complete. However, there is room for

improvement. Local units of government must also get on board, creating partnerships with the state to invest in efforts that promote local and regional entrepreneurial communities. A survey of state departments showed many entrepreneurial efforts taking place, but little alignment between departments and initiatives. An aligned, systems approach could mean real success for Michigan.

Ms. Cindy Warner, Entrepreneurship Committee member, discussed recommendations to eliminate structural barriers, starting with a benchmark of Michigan's regulatory systems. The number one concern for business remains access to capital, financing, and credit. A banking/investment forum to address this concern and other issues could be used to jump start the creation of an action plan for improving Michigan's entrepreneurship banking and investment systems.

Ms. Fern Espino, Entrepreneurship Committee member, talked about the ambitiousness of the report, and indicated the ideas of the report transcend any individual organization, leader, or government administration. A systemic change in the mindset of the state to create a culture of entrepreneurship will take time and is a long term movement.

Director Keith Cooley facilitated a discussion to obtain feedback on the preliminary report. Director Cooley asked for strengths and weaknesses of the report, and what stakeholders need to hear the message brought forth in the report. Comments included:

Develop the mindset – This report sets the stage for opportunity, and points to getting back what America was founded on; the State needs to embrace an entrepreneurial culture; stakeholders that need to be involved include staff from the Michigan Economic Development Corporation (MEDC), local economic developers and members of the Michigan Economic Development Association (MEDA), local Chambers of Commerce, Junior Achievement, neighborhood business associations, and Convention and Visitors Bureaus.

Getting started - How can we encourage intrapreneurs to become entrepreneurs and encourage people to take that next step? How can we help young entrepreneurs get started? How do we change the mindset of the banking community? The number one structural barrier to entrepreneurs is financing. Seed capital is needed at the front end with time and energy to prepare for venture capitalists. Mentors are in demand to show these budding entrepreneurs how to start and operate a business, write a business plan, and to give encouragement and wisdom. The realism of "being your own boss" is not as glamorous as people think; it's a 24/7 commitment; this is where planning comes in to play and determination to succeed.

Incentives for businesses - There is no mention of Brownfield Tax or Renaissance Zone incentives in the report. This is due to the workforce development focus of the report, but will be incorporated in some way. The Committee has worked closely with other state agencies and supports their efforts in this area.

Next steps for the Creating a State Culture of Entrepreneurship Committee include ensuring their stakeholder list is extensive, that their message is articulated as clearly as possible, a formal support of their recommendations will be sought from CLEG, and submission of their recommendations to the Governor.

IV. PUBLIC COMMENT/CLOSING REMARKS

Ms. Sorge offered the opportunity for public comment. There was none.

Council members were encouraged to fill out the evaluations to aid in the development of future meeting agendas. The next CLEG meeting will be held in conjunction with the Michigan Works! for People Conference, September 9, 2008, time to be determined, at the Detroit Marriott in downtown Detroit.

There being no further business, Ms. Sorge adjourned the meeting at 12:30 p.m.

In accordance with the Americans With Disabilities Act, the information in these minutes will be made in alternative format (large type, audio tape, etc.) upon request.

Approved September 9, 2008